



COOK COUNTY BOARD OF COMMISSIONERS
PENSION COMMITTEE

JULY 28, 2020



COOK COUNTY PENSION FUND |

KEY FUND FINANCIALS AND DEMOGRAPHICS FOR 2019

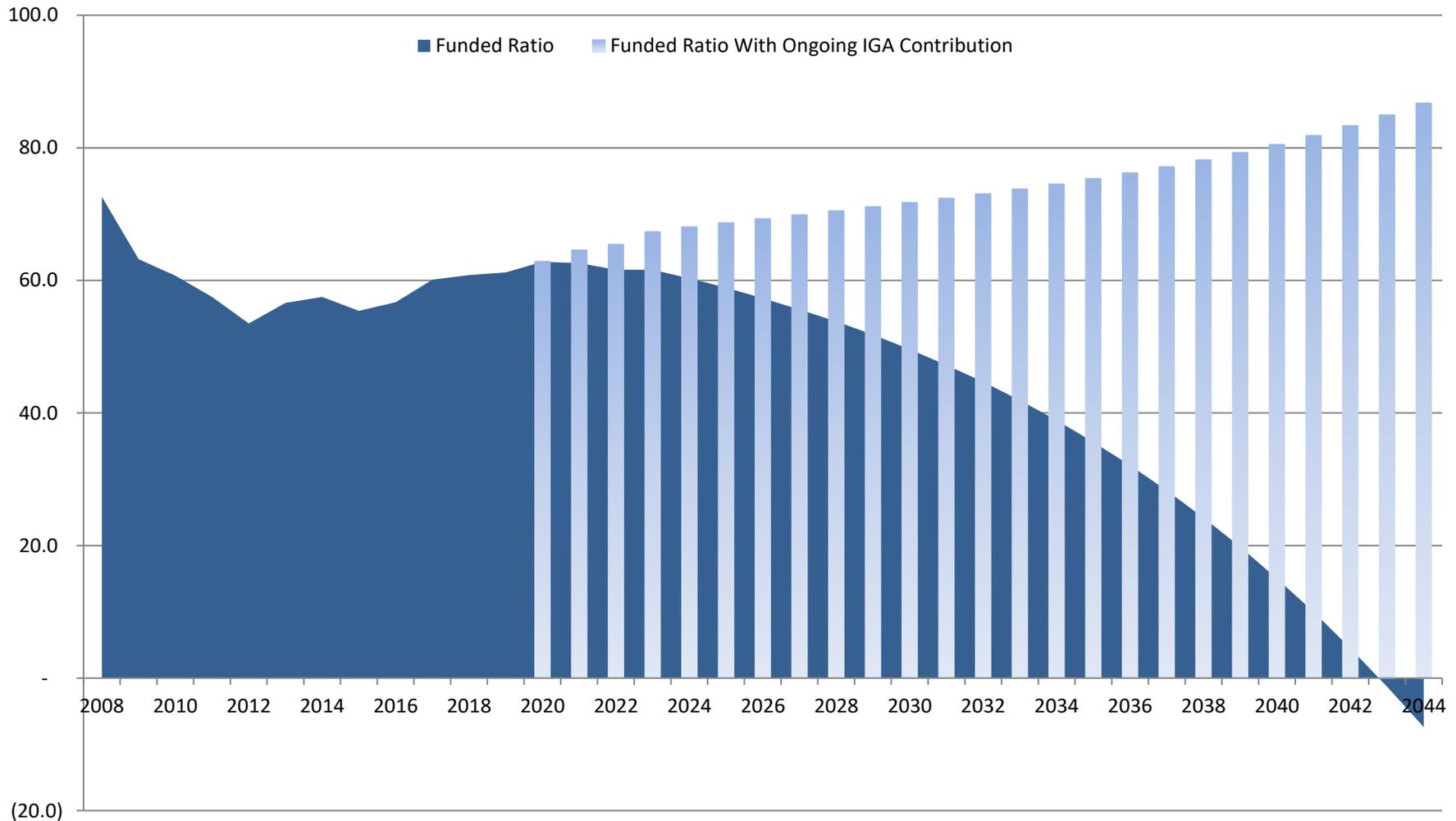
	Cook County Fund	Forest Preserve Fund
Net Position (12/31/2019)	\$11.5 Billion	\$212 Million
Actuarial Liability (12/31/2019)	\$17.9 Billion	\$343 Million
Employee Contributions	\$135 Million	\$3 Million
Employer Contributions	*\$526 Million	**\$4 Million
Net Investment Income	\$1.866 Billion	\$34 Million
Benefits Payments and Refunds	\$928 Million	\$20 Million
Net Allocation for Healthcare	\$38 Million	\$1 Million
Administrative Expense	\$5 Million	\$0.1 Million
Active Members	19,551	546
Annuitants	19,143	532

*Includes \$320 million of contributions from the Intergovernmental agreement (IGA) with Cook County.

**The Forest Preserve Fund does not have an IGA.

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COOK COUNTY FUNDED RATIO (END OF YEAR)

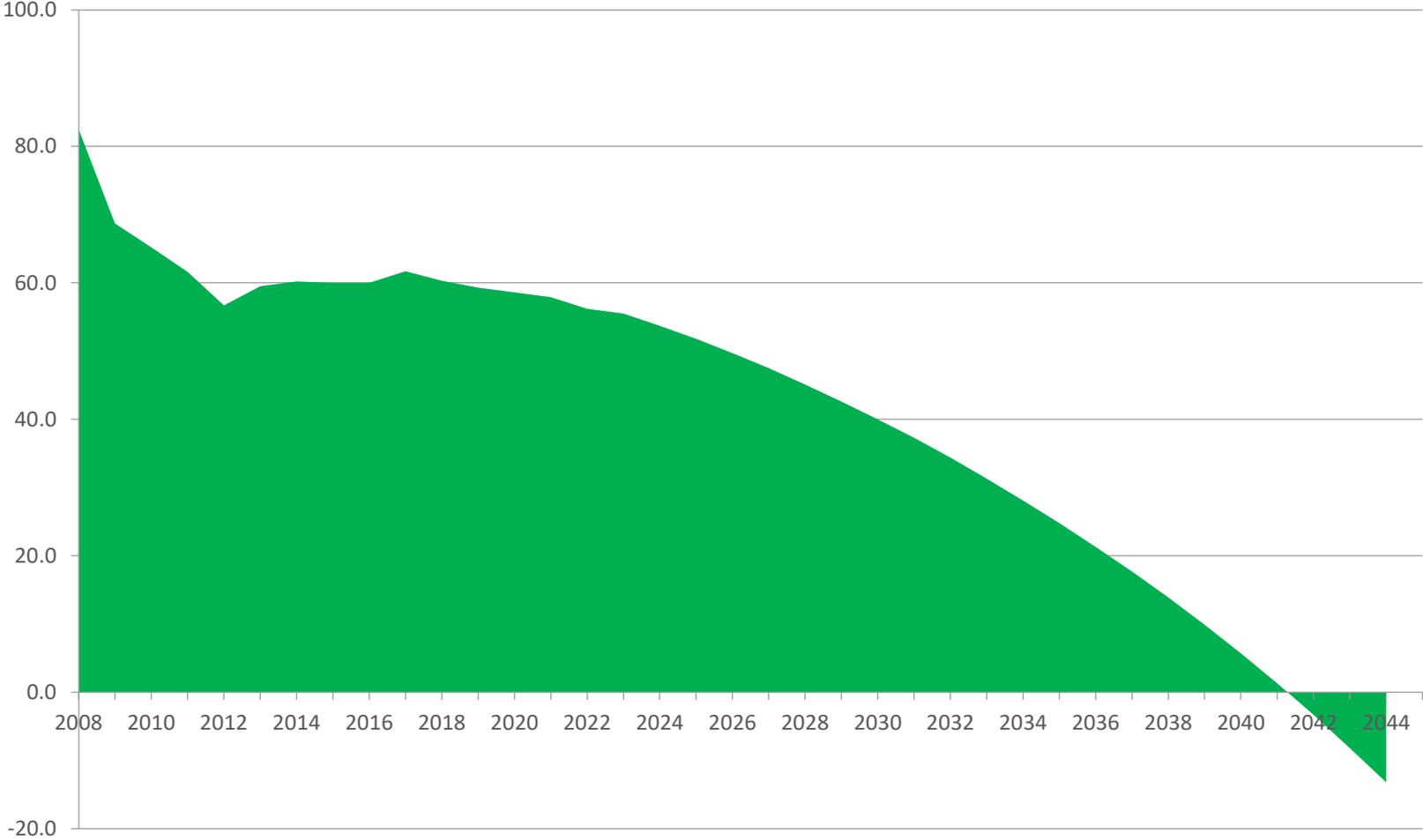


Cook County and Forest Preserve are two of the only funds without statutorily legislated actuarial funding in Illinois. Under current statutory funding, projected insolvency occurs in 2043 as opposed to full pension funding in 2047 with a guaranteed annual IGA.



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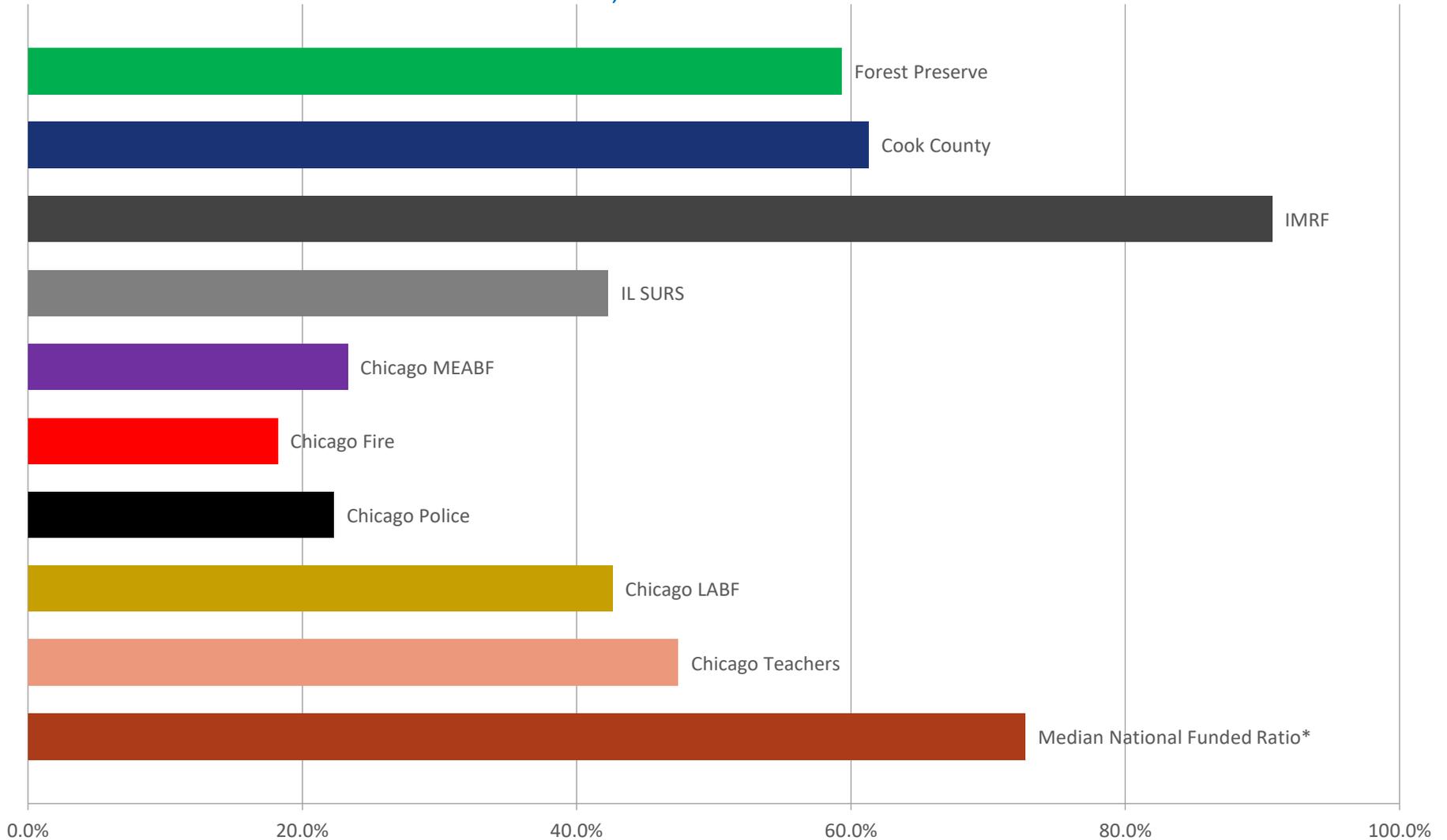
FOREST PRESERVE FUNDED RATIO (END OF YEAR)



Note the Forest Preserve Fund does not receive IGA contributions. The only source of funding is the property tax receipts of the 1.30x multiple that has been in place since 1973. Under current statutory funding legislation, insolvency is projected in 2042.

LOCAL AND STATE FUND COMPARISON |

FUNDED RATIOS DECEMBER 31, 2019



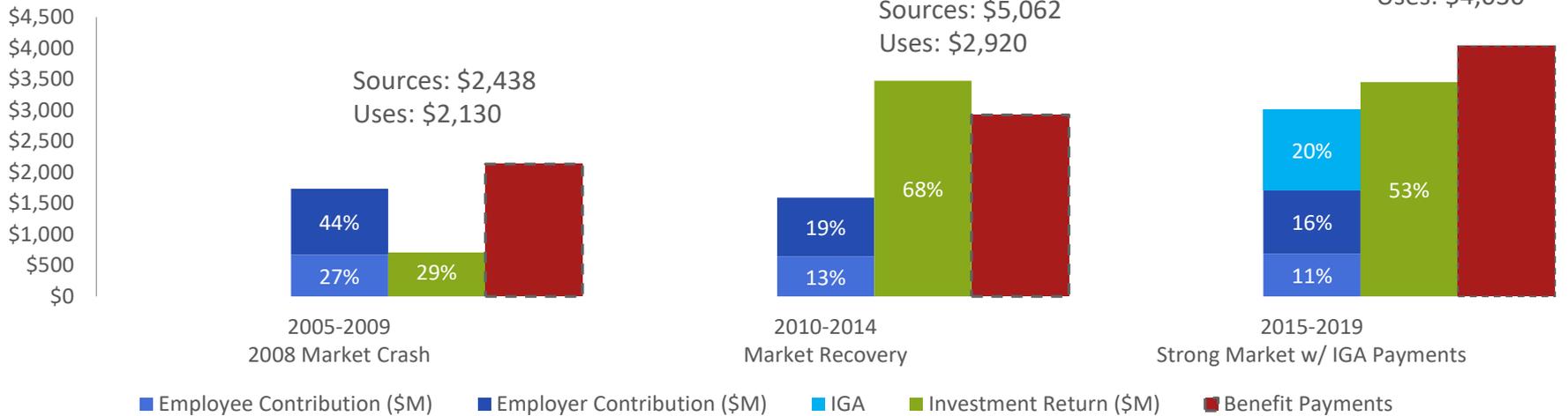
*Median Funded Ratio per the National Association of State Retirement System Administrators at www.nasra.org/publicfundsurvey as of the end of 2018 Fiscal Year. Note, Chicago Teachers and IL SURS data as of June 30, 2019



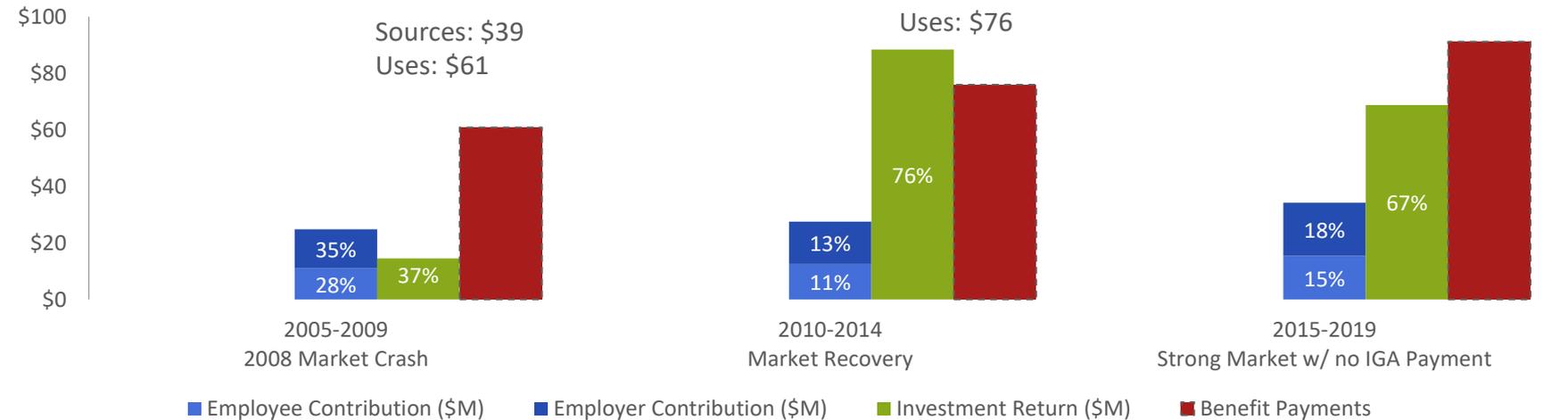
COOK COUNTY PENSION FUND |

SOURCES (INCOME) AND USES (DISBURSEMENTS), IN MILLIONS

Cook County



Forest Preserve



COOK COUNTY PENSION FUND |

INVESTMENT ALLOCATION

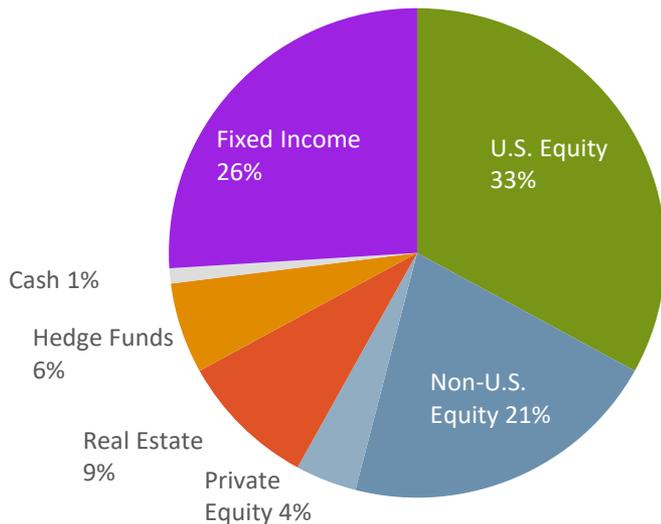
The Retirement Board has established a long term investment policy for both Funds. Portfolios are diversified across asset classes with investments in public and private markets.

The following asset allocation reflects the Funds' return objectives at a prudent level of risk, consistent with the Funds' liquidity needs.

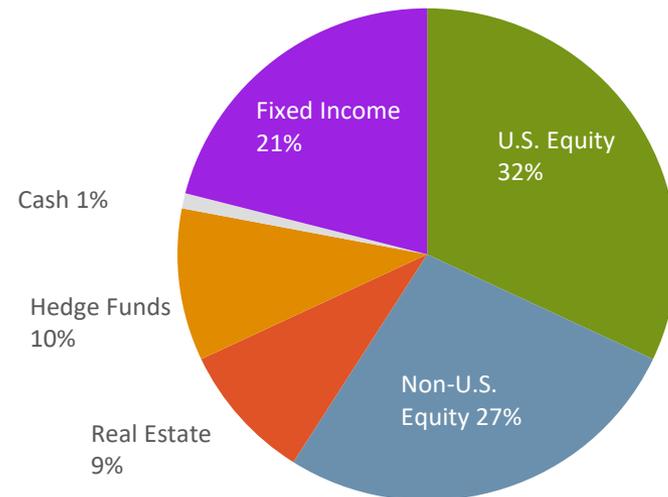
Total Portfolio Assets as of December 31, 2019

- Cook County Pension Fund: \$11.2 billion
- Forest Preserve Pension Fund: \$207.7 million

Cook County Fund Target Allocation



Forest Preserve Fund Target Allocation





COOK COUNTY PENSION FUND |

2019 INVESTMENT PERFORMANCE

- While 2018 was an unusual year where almost all asset classes posted negative returns, 2019 was equally rare as all major asset classes returned above their long term historical averages.
- The Cook County Fund's assets exceeded \$11 billion, a historical high. Both Funds experienced healthy results from its publicly traded portfolio as well as investments in alternatives such as private equity.

2019 Total Fund and Asset Class Returns (Net of Fees)		
	Cook County	Forest Preserve
Total Fund	19.07%	18.60%
Domestic Equity	30.42%	30.28%
Private Equity	22.81%	n/a
International Equity	22.33%	22.38%
Fixed Income	8.25%	8.00%

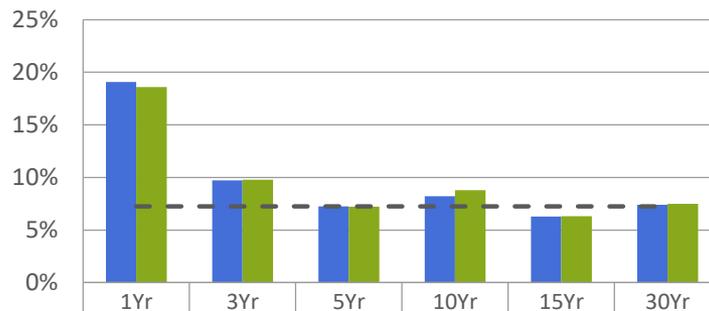
Source: Callan LLC

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2019 INVESTMENT PERFORMANCE

On a 10 year basis, the Funds outperformed their 7.25% actuarial assumed rate of return. Over a 30-year period, the Funds achieved their actuarial assumed rates of return.

Returns as of 12/31/2019



Cook	19.07%	9.73%	7.25%	8.22%	6.27%	7.40%
Forest Preserve	18.60%	9.78%	7.22%	8.79%	6.33%	7.49%
Actuarial ROR	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%

Source: Callan LLC; returns are net-of-fees

Total Invested Assets (in billions)



Source: Callan LLC

The Funds are long-term diversified investors.

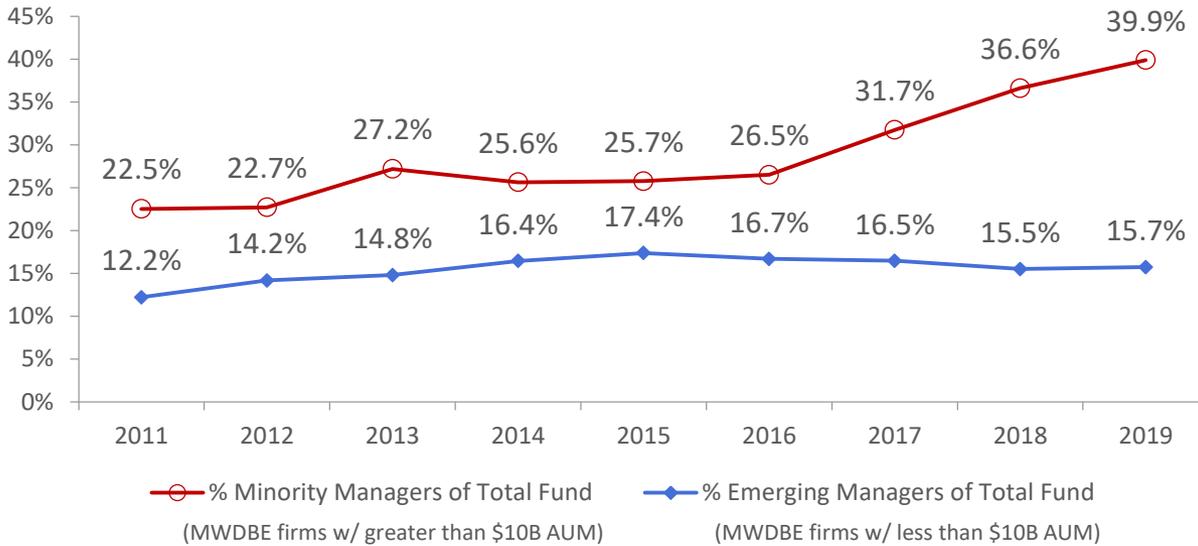
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EMERGING AND MWDBE UTILIZATION



The Funds have a long and steady track record of working with emerging and MWDBE firms in every asset class.

History of Emerging Manager Fund Allocations: 2011-2019



- Strong 2019 market increased total minority and emerging utilization
- Initial funding to a woman-owned private real estate fund in late 2019 (\$50 million commitment)
- Fund continues to assess new opportunities in alternatives

	2019 EM Allocation In Dollars (MMs)*	2019 Emerging Mgr. Utilization Rate	Target EM Utilization
Domestic Equity	\$466.8	11.5%	17-20%
Fixed Income	\$842.8	32.0%	27-35%
Intl. Equity	\$314.9	12.0%	10-15%
Alternatives	\$172.5	8.3%	10-15%

* Combines Cook County and Forest Preserve actual allocations



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LOCAL AND STATE FUND INVESTMENT PERFORMANCE COMPARISON

Cook County and Forest Preserve's investment performance compares favorably against local and state plans.

	Q4	1Yr	3Yr	5Yr	10Yr	AUM as of 12-31-2019
Cook County	5.8% (3)	19.1% (4)	9.7% (3)	7.3% (2)	8.2% (4)	\$11.2BN
Forest Preserve	5.4% (4)	18.6% (5)	9.8% (2)	7.2% (3)	8.8% (2)	\$0.2BN
Chicago Teachers	5.9% (2)	19.8% (2)	9.9% (1)	7.4% (1)	8.8% (2)	\$11.1BN
FABF	6.2% (1)	20.4% (1)	9.9% (1)	7.3% (2)	9.0% (1)	\$0.9BN
IMRF	5.8% (3)	19.6% (3)	9.8% (2)	7.4% (1)	8.8% (2)	\$44.7BN
ISBI	4.9%	17.9%	9.6% (4)	7.3% (2)	8.5% (3)	\$20.1BN
Laborer's	5.9% (2)	17.8%	9.3%	6.3%	7.9%	\$2.7BN
MEABF	5.3% (5)	16.6%	8.2%	6.6%	8.0% (5)	\$3.7BN
PABF	5.0%	16.3%	8.8%	6.5%	n/a	\$2.6BN
SURS	5.2%	17.9%	9.5% (5)	7.0% (4)	8.5% (3)	\$20.3BN
TRS	n/a	13.4%	8.6%	6.9% (5)	8.5% (3)	\$54.2BN
Water Reclamation	5.9% (2)	18.3%	8.2%	6.7%	8.8% (2)	\$1.4BN
Median	5.8%	18.1%	9.6%	7.1%	8.5%	

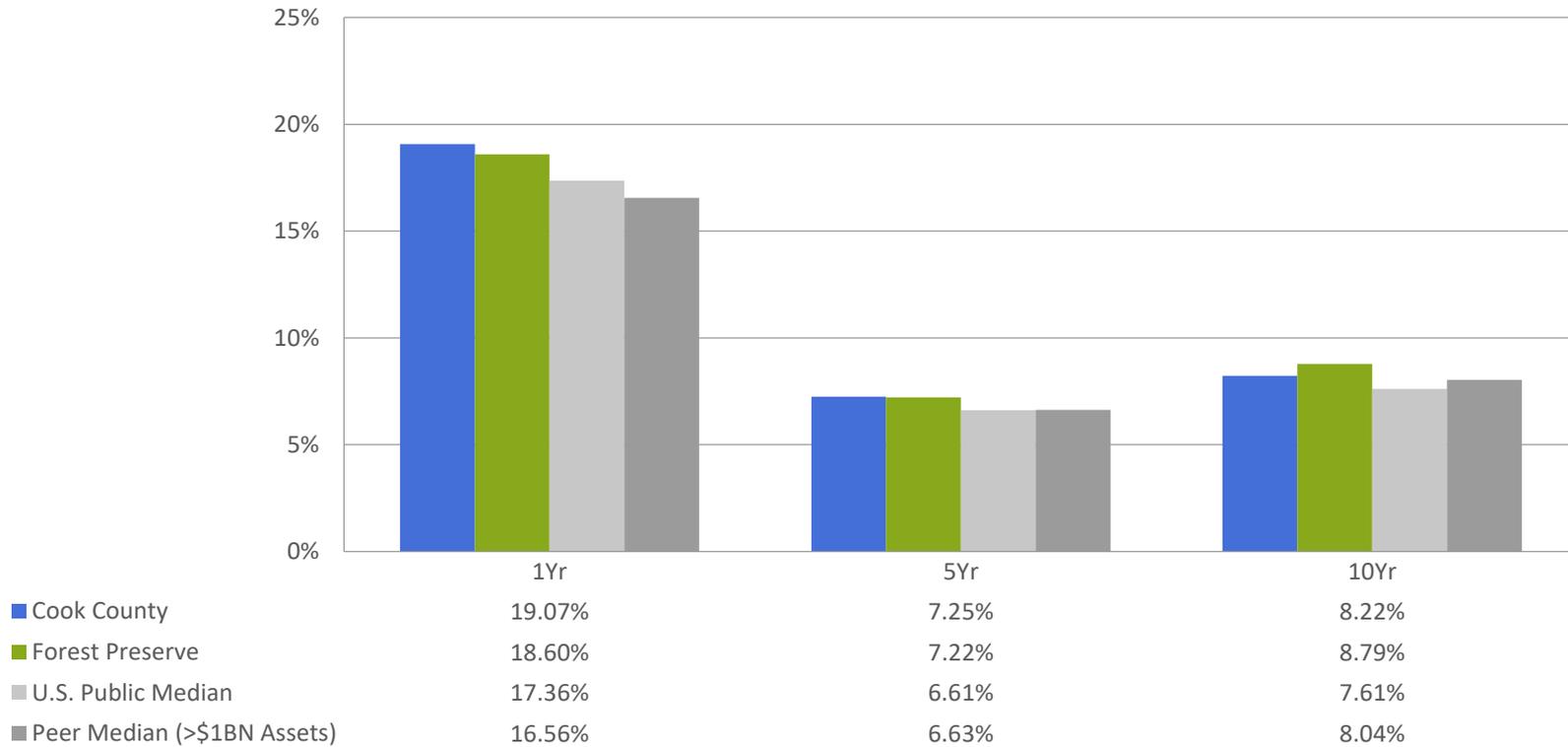
Source: Plan websites or information provided by respective Funds' staff and may not be subject to audit.
 Returns are net-of-fees; Returns over 1Yr are annualized
 Q4 return not available from TRS. 10Yr return not available from PABF

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NATIONAL PEER GROUP PERFORMANCE COMPARISON

Cook County and Forest Preserve’s investment performance also compares favorably against national plans.

Cook County and Forest Preserve Fund Returns vs Peer Medians (Periods Ending December 31, 2019)



Source: Callan LLC; returns are net-of-fees

U.S. Public Median represented by Callan LLC’s Public Fund Sponsor Database

Peer Median represented by Callan LLC’s Public Fund Sponsor – Large (>\$1BN) Database

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2020 PANDEMIC RESPONSE

Member service continues to be of utmost importance during these unprecedented times.

- During the entire pandemic period, a core group of management-team members was in the office **every** day servicing member needs, including responding to phone calls, receiving incoming materials (mail, faxes, packages, payments), and processing of member requests.
- Other staff serviced member needs remotely during regular business hours. Member calls were returned, benefit calculations were performed and other service matters were addressed promptly.
- Benefit payments continued uninterrupted. All annuity payments for April, May, June and July were made timely (a total of 80,218 payments). Statistics reflecting the work of Fund staff for the time period April - July:
 - 328** Disability applications processed to completion
 - 272** New Annuity benefits approved and paid
 - 644** Refund checks processed and paid
- Fund staff continues member services both in and out-of-the office with uninterrupted member support.